GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

STARRED QUESTION NO:213
ANSWERED ON:09.05.2016
Employment Generation Programme
Singh Shri Dushyant;Tumane Shri Krupal Balaji

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) The total funds allocated, sanctioned and utilised under the Prime Minister's Employment Generation Programme (PMEGP) for setting up of agricultural and rural industries in the country including Maharashtra during each of the last three years and current year, State/UT-wise;

(b) whether there is a gap between the number of jobs proposed to be created and actual creation of jobs under PMEGP during the said period and if so, the details thereof and the reasons therefor indicating the number of jobs created thereunder during said period, State/UT-wise; and

(c) the corrective steps taken/proposed to be taken by the Government for optimum utilisation of the allocated funds and to enhance employment generation under the said programme in the country?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI KALRAJ MISHRA)

(a)to(c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION No.*213 FOR ANSWER ON 09.05.2016

(a): The total amount of funds allocated, released and utilized under the Prime Minister's Employment Generation Programme (PMEGP) for setting up of micro enterprises in the non-farm sector in the country including Maharashtra during each of the last three years and current year, State/UT-wise is given at Annexure-I.

(b): The number of jobs proposed to be created and actual creation of jobs under the PMEGP during each of the last three years State/UT-wise is given at Annexure-II.

Margin money subsidy is allocated to the states based on the stipulated parameters and this State-wise allocation is treated as target under PMEGP Scheme. Physical targets in terms of number of projects are also fixed corresponding to the Margin Money allocated to each State/UT. The target for employment generation is fixed based on the assumption that each project sanctioned would generate direct/indirect employment to 8 persons. The target under employment generation has not been fully achieved during the last three years, because the average project cost has been increasing over the years. In 2010-11, average project cost was Rs.6-8 lakh, in 2015-16 it is Rs. 10-12 lakh. Thus, utilization of Margin Money subsidy per project has increased from Rs.1.8 lakh to Rs. 2.8 lakh per project. This has resulted in decreased number of projects being setup under PMEGP, consequently the employment generation has also decreased.

(c): The following steps have been taken for optimum utilization of the allocated funds and to enhance employment generation:

i) With a view to streamline the process of application flow and fund flow and to bring in transparency and better financial management and prevent parking of funds at Nodal bank level, it has been decided to introduce online process flow of application and disbursement of Margin Money directly to financing bank branches by adopting Direct Benefit Transfer (DBT). KVIC has developed an elaborate PMEGP on-line Portal for on line processing of applications

ii) In order to expand the scope of PMEGP, the negative list under PMEGP has been modified to allow the following activities:

â€¢ All rural and urban transport activities (A ceiling of 10% on the extent of projects to be financed for transport activities will be applicable in the States/UTs, except in specific regions - hilly region, NER, A & N Islands, Goa, Puducherry, Lakshadweep, Daman & Diu, Dadra Nagar Haveli, J & K and LWE affected districts).

â€¢ Value added products for tea, coffee, rubber, sericulture, horticulture, & floriculture.
â€¢ Processing of pashmina wool and other products like hand spinning and hand weaving.

iii) In order to achieve inclusive growth, employment generation, PMEGP district-wise targets of a minimum of 100 projects per district was fixed during the year 2013-14 and 2014-15. For the year 2015-16 and 2016-17 the district-wise target of minimum 75 projects per district was fixed.